

AN ACT concerning business.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Collateral Protection Act is amended by changing Section 40 as follows:

(815 ILCS 180/40)

Sec. 40. Substantial compliance.

(a) A creditor that places collateral protection insurance in substantial compliance with the terms of this Act shall not be directly or indirectly liable in any manner to a debtor, co-signor, guarantor, or any other person, in connection with the placement of the collateral protection insurance. Notices and coupon books required to be mailed under this Act shall be mailed by United States Mail, first class, postage prepaid.

(b) A servicer subject to the regulations prescribed by the Consumer Financial Protection Bureau pursuant to Section 1463 of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act (12 C.F.R. 1024.37) that places hazard insurance in substantial compliance with those regulations shall be deemed to be in substantial compliance with the terms of this Act.

(Source: P.A. 89-623, eff. 8-9-96; 90-35, eff. 6-27-97.)

Public Act 098-1120

SB3423 Enrolled

LRB098 18590 JLS 53731 b

Section 99. Effective date. This Act takes effect upon becoming law.